

**TIMBER SALE PROSPECTUS**

<b>Sale Name :</b>	Palmetto MP SBA	<b>Type of Sale :</b>	Scaled
<b>National Forest :</b>	Plumas	<b>Ranger District :</b>	Feather River
<b>Bidding Method :</b>	Sealed Bid	<b>Bid Guarantee :</b>	\$1,900.00

**Location of Bid Opening :** 875 Mitchell Ave, Oroville, CA 95965

**Date :** 03/25/2013

**Time :** 10:00 AM

**1. INTRODUCTION.** This prospectus furnishes prospective bidders with information not contained in the published advertisement and is designed to enable bidders to decide whether or not to further investigate the sale. The prospectus is not a legally binding document, but is offered to provide general information about a sale. The contract does not include descriptions, estimates, and other data in this prospectus, unless otherwise stated. In the event that the prospectus contains an error or contradicts the sample contract, the contract governs. Bidders are urged to examine the timber sale and make their own estimates. Timber sale Contract 2400-6 will be used. Inspect the sale area and the sample contract before submitting a bid. Obtain the appraisal, other information on the timber, and conditions of sale and bidding at Forest Service offices listed above and in the named attached advertisement.

**2. BIDDING.** This is a Sealed Bid sale. Bidders must submit sealed bids on prepared forms they can obtain from Forest Service offices listed above and in the attached advertisement. The forms include instructions for bidding and submission of the required certifications. A bid guarantee must be included with the bid in the form of cash, a bid bond on form FS-6500-13 (4/82) or later, certification of annual bid bond allocation on form FS-6500-13a (4/82) or later, an irrevocable letter of credit, a certified check, bank draft, cashiers check, official bank check, or bank or postal money order payable to the Forest Service, USDA in the amount specified above and in the bid form. The bid guarantee shall be returned to each bidder whose bid is not accepted.

This is a small business set-aside sale. The Forest Service shall readvertise the sale without restriction on the size of bidders if no self-certifying, qualified small business concern makes a valid bid.

**Total Sale Value Bidding:**

Prospective purchasers must submit bids in terms of the minimum acceptable total sale value. The bid form states minimum acceptable bid rates and estimated quantities of timber, together with the minimum acceptable total sale value. The advertised minimum acceptable total sale value is only for the biddable species, as listed on the bid form in the upper section of block 14. It does not include any non-biddable, fixed rate species listed in the lower section of block 14 titled "Required Removal at Fixed Rate. Only the Fixed Rate Applies." The bidder should enter the offer on the bid form only in terms of the total sale value. The Forest Service shall establish bid rates by species in the contract by multiplying each species' minimum acceptable bid rate by the bid increase percentage. Such rates will be rounded to the nearest cent. The bid increase percentage is the bidder's total sale value bid rate divided by the minimum acceptable total sale value. The total amount for stumpage is the volume of each biddable species multiplied by its bid rate, plus the volume of each fixed rate species multiplied by its fixed rate.

**3. LOCATION AND DESCRIPTION OF TIMBER.** Refer to the sample contract and sale area map attached to the sample contract for legal location of sale area, location of subdivisions, location of cutting units, the acreage of sale area, and the cutting unit acreage.

THE FOLLOWING GENERAL LOCATION, ROUTES OF ACCESS, ACREAGES, AND OTHER SPECIAL LOCATION DATA DO NOT SUPERSEDE THE SALE AREA MAP OR SAMPLE CONTRACT.

Palmetto MP SBA Sale is an estimated 644 acres and is located approximately eight miles south west of Bucks Lake along the Oro-Quincy Highway and National Forest System Road 23N18.

**4. TIMBER QUANTITIES AND RATES.** The quality, size, cut per acre, and product suitability of the timber are estimates based on detailed cruise information on file and available for inspection at the Forest Service offices listed above and in the advertisement. VOLUME QUANTITIES LISTED HEREIN ARE MADE AVAILABLE WITH THE UNDERSTANDING THAT VALUES SHOWN ARE FOREST SERVICE ESTIMATES AND ARE NOT GUARANTEED. For these reasons, bidders are urged to examine the timber sale area and make their own estimates.

THE MINIMUM ACCEPTABLE BID RATE IS STATED IN THE ATTACHED BID FORM. THESE RATES ARE EFFECTIVE AT THE TIME OF ADVERTISEMENT.

**Estimated Quantities and Minimum Acceptable Rates  
per Unit of Measure**

Species	Product	Unit of Measure	Estimated Quantities	Average DBH	Minimum Acceptable Bid Rates	Base Rates	Required Deposits	
							Slash Disposal	Road Maintenance
Combined Softwood	Sawtimber	Ton	20,405.00	N/A	\$0.86	\$.86	\$0.56	\$0.00
<b>Required Removal at Fixed Rates</b>								
Combined Softwood	Grn Bio Cv	Ton	11,042.00	N/A	\$0.10	\$.10	\$0.56	\$0.00
	<b>TOTAL</b>	Ton	31,447.00				\$17,610.32	\$0.00

The minimum acceptable total sale value bid for advertised timber is \$17,548.30. It does not include any non-biddable, fixed rate species listed on the bid form in the lower section of block 14 titled "Required Removal at Fixed Rate. Only the Fixed Rate Applies." The total amount for stumpage is the volume of each biddable species multiplied by its bid rate, plus the volume of each fixed rate species multiplied by its fixed rate.

The bid rate for species and unit of measure are assigned under procedures for average bid premium bidding, as noted in this prospectus. This rate has been established by appraisal, with a cost allowance for the roads specified by the contract, if any. Required deposits for slash disposal and road maintenance are in addition to the advertised rates for timber.

**Timber Subject to Agreement**

Species	Product	Unit of Measure	Fixed Rates	Slash Disposal Deposits	Road Maintenance Deposits
Cull Logs Combined	Cull Logs	Ton	\$0.20	\$0.00	

Estimated Knutson-Vandenberg deposit for sale area improvement work in a total amount of \$17,000.00 is included in total timber value.

**5. PERIOD OF CONTRACT.** The normal operating season covers the period between 06/01 and 10/31. Contract termination date is 10/31/2015. Extensions of this contract may be granted only when the purchaser has met specified conditions.

If an appeal or lawsuit is filed challenging the decision to award this contract or upon determination by the Regional Forester that conditions existing on this timber sale are the same as, or nearly the same as, conditions existing on other timber sale(s) in appeal or litigation, Contracting Officer may delay award or reject all bids. If delay in award is for 30 days or more during Normal Operating Season after bid opening, Contracting Officer shall, upon award, adjust the contract term to include additional calendar days in one or more Normal Operating Seasons equal to the time award is delayed during Normal Operating Season.

The purchaser must submit a Plan of Operations to the Contracting Officer for approval before operations begin or within 60 days of sale award, whichever is earlier. The plan must show how the purchaser plans to complete the contract by the termination date. In addition to

the Plan of Operations, the purchaser must submit an annual Operating Schedule before commencing operations. This schedule will include the anticipated major activities and needs for harvest. This annual Operating Schedule does not require concurrence of the Forest Service.

**6. PAYMENT.** Payment for timber and any required deposits for slash disposal or road maintenance are required in advance of cutting. The Purchaser may transfer purchaser credit into the contract, or provide an acceptable payment guarantee prior to cutting. Payment for required deposits must be a cash payment. The purchaser shall make advance deposits in accordance with provision B(T)4.212 - Advance Deposits.

The high bidder whose bid is accepted shall, at the time the contract is signed and returned by the bidder, make a downpayment pursuant to Title 36, Section 223.49, of the Code of Federal Regulations. The Contracting Officer will notify the high bidder of the amount necessary to make this payment. In no case shall the downpayment be less than 10 percent of the total advertised value plus 20 percent of the bid premium. After receipt of the downpayment and a satisfactory performance bond and upon execution of the timber sale contract, the Forest Service will return the bid guarantee. A cash bid guarantee may be applied to the downpayment at the request of the purchaser. The purchaser cannot apply the amount deposited as a downpayment to cover other obligations due on the sale until conditions stated in the contract for release of downpayment have been met. Refer to the sample contract for the specific conditions.

By the midpoint between award date and the termination date, the purchaser shall have paid for, or in lieu thereof, deposited cash in the greater amount of: (1) 50 percent of the total estimated bid premium, or (2) 35 percent of the total estimated sale value at bid date, exclusive of required deposits, rounded up to the next \$100.

By the midpoint of the last normal operating season, or 12 months from the initial periodic payment, whichever date is first, the purchaser shall have paid for, or in lieu thereof, deposited cash in the amount of 75 percent of the total estimated sale value at bid date, exclusive of required deposits, rounded up to the next \$100.

**7. PERFORMANCE BOND.** A performance bond is required. The penal sum of the bond will be 10 percent of the total bid value of the sale, rounded up to the nearest \$100 when the total bid value is \$10,000 or less; and rounded up to the nearest \$1,000 when the total bid value exceeds \$10,000 or \$2,000.00 whichever is greater. If an irrevocable letter of credit is used to secure the performance bond, the termination of the letter of credit must be at least 6 months past the contract termination date.

**8. SPECIFIED ROADS.** Not Applicable.

**9. ROAD MAINTENANCE.** Purchaser shall perform or pay for road maintenance work, commensurate with purchaser's use, on roads controlled by Forest Service, and used by purchaser in connection with this sale. Road maintenance requirements are based on the predicted haul route. Any change in the purchaser's actual haul route may necessitate a change in the roads to be maintained and/or in the amount of required deposit for road maintenance. Required deposits for road maintenance are listed in Section 4 and in the sample contract. Maintenance specifications are in the sample contract.

**10. INAPPLICABLE STANDARD PROVISIONS.** See sample contract.

**11. SPECIAL PROVISIONS.** See sample contract.

**12. SET-ASIDE SALES.** Preferential award of this sale to a self-certifying, qualified small business concern is authorized by section 15 of the Small Business Act of 1958. All bidders shall designate their small business status as specified on the bid form. The bidder, by signing the bid for advertised timber, certifies its small business status and agrees to the provisions of the sample contract including disposal and record keeping. In the absence of any bids from a self-certifying qualified small business concern, the sale will be readvertised without restriction on the size of bidders under 36 CFR 223.103.

The high bidder's size status is subject to verification by the Small Business Administration (SBA). A small business that does not qualify for the program must obtain a recertification of size from SBA before self-certifying again for small business set-aside sales.

The bidder, by signing the bid form, agrees not to sell more than 30 percent of the advertised sawtimber quantities included in this sale to firms not qualifying as small businesses under section 15 of the Small Business Act. Volume distribution requirements do not apply if

the sale is readvertised under 36 CFR 223.103 and is awarded without restrictions to bidder size.

**13. LOG EXPORT AND SUBSTITUTION RESTRICTIONS.** The contract requires domestic processing of included timber except for species declared to be surplus, and prohibits the use of such included timber in substitution for unprocessed private timber exported. The bidder, by signing the bid for advertised timber, certifies compliance with the applicable prohibitions against export and substitution prescribed in the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 U.S.C. 620, *et seq.*) with each bid.

**14. EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE REVIEW.** If the total bid value plus required deposits for this contract exceeds \$10 million, before award, the Forest Service shall request an equal employment opportunity compliance review of the high bidder to determine compliance with the provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967 and Executive Order No. 12086 of October 5, 1978.

**15. AWARD.** The Contracting Officer is required to make a determination of bidder responsibility as stated in Title 36, Section 223.101, of the Code of Federal Regulations.

To determine a purchaser to be responsible, a Contracting Officer must find that:

- a. The purchaser has adequate financial resources to perform the contract or the ability to obtain them;
- b. The purchaser is able to perform the contract within the contract term taking into consideration all existing contracts and Governmental business commitments;
- c. The purchaser has a satisfactory performance record on timber sale contracts. A prospective purchaser that is or recently has been seriously deficient in contract performance shall be presumed not to be responsible, unless the Contracting Officer determines that the circumstances were beyond the purchaser's control and were not created through improper actions by the purchaser or affiliate, or that the purchaser has taken appropriate corrective action. Past failure to apply sufficient tenacity and perseverance to perform acceptably under a contract is strong evidence that a purchaser is not a responsible contractor. The Contracting Officer shall consider the number of contracts involved and extent of deficiency of each in making this evaluation;
- d. The purchaser has a satisfactory record of integrity and business ethics;
- e. The purchaser has or is able to obtain equipment and supplies suitable for logging the timber and for meeting the resource protection provisions of the contract;
- f. The purchaser is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Bidders, by signing the bid form, certify that, to the best of bidder's knowledge the bidder will meet the requirements in 36 CFR 223.101, determination of purchaser responsibility, and, if awarded this contract, that bidder will complete the timber sale contract and any modifications thereof in accordance with its terms including requirements to purchase, cut, and remove included timber.

**16. FALSE STATEMENTS ACT.** Bidders, by signing the bid form, certify that they are aware that bidder is subject to the penalties prescribed in 18 U.S.C. 1001, Chapter 47, Fraud and False Statements (P.L. 104-45). The Act states "whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both."

**17. DAMAGES.** This contract shall be terminated for breach pursuant to paragraph 16, 19, and/or 21 of the bid form and the terms of the sample contract if: 1) bidder fails to execute a timber sale contract, furnish a downpayment, or furnish a satisfactory performance bond within 30 days of the award letter's date; or 2) bidder is found to have violated the False Statements Act in making any statement or certification on the bid form including not meeting purchaser responsibility requirements, and bidder has made a false statement. The bid guarantee shall be retained, in whole or in part, by the Forest Service to satisfy any damages that may be assessed.

**18. SUSPENSION AND DEBARMENT CERTIFICATION.** Non-procurement debarments and suspensions are governed by the Government-wide common rules (7 CFR 3017).

These rules require each timber sale purchaser, to submit a certification for itself, its principals, and its affiliates when bidding on sales.

The bidder must designate its status regarding debarment, suspension, and other matters as specified on the bid form. The bidder, by signing the bid form, certifies this status. An explanation for not submitting a certification may be submitted. The Contracting Officer will determine whether the explanation provides sufficient reason for permitting participation in the bidding. Also, as a timber sale purchaser enters into transactions with subcontractors, these subcontractors must certify their eligibility. The certification titled "Subcontractor Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion" must be provided to subcontractors, but completed certifications are not required to be submitted with bid forms. Purchaser must keep these subcontractor certification forms on file for review by the Forest Service, if requested.

The certification forms and instructions for subcontractor transactions are provided as an addendum to the bid form.

**19. OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) LOGGING REGULATIONS.** Conduct of operations on this timber sale is subject to inspection for compliance with the logging operations regulations at 29 CFR 1910.266 by OSHA. This standard is applicable to the entire logging industry wherever logging operations occur. Information is available to assist purchasers to ensure compliance with the logging operations regulations during conduct of this timber sale from the U.S. Department of Labor, Occupational Safety and Health Administration, OSHA, California Department of Industrial Relations, 1515 Clay Street, Suite 1901, Oakland, California 94612.

## **20. GENERAL.**

The estimated equivalent MBF and CCF volumes for the Green Ton material in the timber quantities of this Prospectus are:

### **SAWTIMBER**

Ponderosa Pine -	159 Tons	20.49 MBF	43.32 CCF
Sugar Pine -	1706 Tons	230.31 MBF	440.42 CCF
White/Red Fir -	17,923 Tons	2633.30 MBF	4834.27 CCF
Incense Cedar -	381 Tons	61.41 MBF	125.26 CCF
Douglas Fir -	237 Tons	35.40 MBF	74.17 CCF
TOTAL -	20,405 Tons	2980.90 MBF	5517.43 CCF

BIOMASS -	11,042 Tons	N/A MBF	4015 CCF
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The Project Activity Level (PAL-West Side), an industrial operations fire precaution, will be used for this sale. Call 1-800-847-7766 for daily PAL-West information. The Challenge Remote Automated Weather Station (RAWS) will be used to calculate the PAL. The normal operating season is from June 1 to October 31. The expected days per month at each PAL value are calculated in the following table:

### **Project Activity Level Climatology**

Station/SIG/Unit Challenge RAWS Years Analyzed 2006 - 2010

	A	B	C	D	Ev	E
June	1.0	4.2	13.4	5.4	3.0	0.0
July	0.0	0.4	12.4	11.0	6.4	0.0
August	0.0	0.8	5.0	9.2	11.2	0.6
September	0.0	2.4	7.6	9.0	10.0	0.4
October	2.4	6.8	12.0	3.4	0.6	0.0

Slash Disposal: Purchaser shall make required deposits for slash disposal of \$0.56 per TON (A4b).

Surface Replacement: Purchaser shall make required deposits for surface replacement of \$0.88 per TON (C5.35#)

Purchaser shall be responsible for obtaining any and all necessary road Encroachment Permits from appropriate counties as needed for performance of this contract.

Purchaser shall treat stumps of all live trees equal to or greater than 16 inches stump diameter with a borate compound registered with

the Environmental Protection Agency in the State of California for prevention of annosus root disease (C6.41#).

Control areas exist within the Sale Area and are designated with red "CA" (Controlled Area) tags and red and black flagging or blue and black flagging. These areas will be avoided during operations (C6.24#).

Operations may occur when soil is dry; that is, soil moisture in the upper 8 inches is not sufficient to allow a soil sample to be squeezed and hold its shape, or will crumble when the hand is tapped. Operations may also occur when the ground is frozen to a depth of 5 inches, or snow depth is at least 18 inches or machine compacted to 8 inches (C6.315#).

Subdivisions 522, 526, 529, 549, and 634 have a Limited Operating Period. No operations shall occur from March 1 through September 15 annually (C6.315#).

No landings shall be located in subdivision 526 (C6.315#).

National Forest System Roads 23N18, 23N95Y, 23N73Y, and the Oro-Quincy Highway are part of the Bucks Lake Snowmobile Trail system. No operations shall occur on these roads when snow level has accumulated to 15 inches in depth (C6.315#).

All stumps within 600 feet that are visible from Oro-Quincy Highway shall be cut to 6 inches maximum stump height to meet Visual Quality Objectives (A6).

All Biomass material (Grn Bio Cv) shall be cut, skidded, and decked on the landing within 30 days after the last sawlog has been removed from the associated subdivision (C6.315#).

Roadside signs and/or flagmen for traffic control will be provided when operations affect road travel by forest visitors. Road closures for operations shall not exceed 15 minutes and shall be subject to all State and County road requirements (B6.33).

This is an Individual Tree Mark (ITM) sale where trees to be cut are designated with Blue paint. There are within the Sale Area previously marked trees that will be Marked over with Black paint and are NOT Included Timber. Orange boundary trees are not Included Timber (C2.35#).

Green Biomass (Grn Bio Cv) is not Marked but is designated by Designation by Species and Diameter (C2.352#). This includes all species 3" to 9.9" Diameter Breast Height.

Estimated Biomass Value: 11,042 TONS at \$0.10 per Green TON = \$1,104.20

Hauling Cost: \$20.97 per Green TON

Harvest Cost (fell/bunch/skid): \$26.59 per Green TON

Large Chipper: \$10.82 per Green TON

C2.21# Utilization, Removal, and Amount Payable for Non-Sawtimber applies to this contract. Notwithstanding B2.2, Purchaser is required to pay for, cut, and remove the Non-Sawtimber Products of Included Timber listed in A2 and those Non-Sawtimber Products listed in the following table, unless otherwise agreed.

If Purchaser can sufficiently demonstrate that no market exists within the normal delivery distance for specific Non-Sawtimber Products, Forest Service and Purchaser may agree to alternate removal requirements of such Non-Sawtimber Products as specified in the alternate removal agreement. See Agreement Example.

The agreement for alternate removal requirements shall be executed prior to removing any timber from the Unit(s) included in the agreement. Alternate removal requirements shall apply only to whole units and not to portions of units. All material meeting alternate removal specifications shall be cut and moved to locations designated in the agreement.

Volumes of material with alternate removal requirements will be determined from the cruise report for the sale.

Purchaser will be charged for the following:

- a) Stumpage value at current contract rates of the alternatively removed product;
- b) Plus the cost of other work required by the Forest Service to dispose of alternatively removed material;
- c) Plus the difference between the appraised transportation cost of the non-sawtimber material involved and the appraised transportation cost of the alternative;
- d) Minus any work required to be completed by the Purchaser associated with alternate removal requirements.

Charges will be debited to the Purchaser's timber sale account.

Upon acceptance of the alternative removal requirements, the affected Unit(s) will be removed from the Sale Area under B6.36.

Title to material included in the alternate removal agreement shall remain with the Forest Service.

See Agreement Example in Sample Contract.

Utilization and Removal for Non-Sawtimber:

All Subdivisions 1) All limbs and tops that are attached after skidding to whole trees and portions of trees meeting specifications for Non-Sawtimber Products. Limbwood from Sawtimber is considered Logging Slash and shall be treated under C6.7#.

2) All tops that are attached after skidding to whole trees and portions of trees meeting specifications for Sawtimber products.

This Timber Sale Contract has been designated for Third Party Scaling and includes C6.815 Third Party Scaling Services. Under this provision Purchaser shall bear and administer the cost of scaling services.

This is a small business set-aside sale (C8.73).

Prospective bidders are strongly encouraged to carefully read and understand the Prospectus and entire contract for work required to be accomplished.

Bids are to be submitted to the Feather River Ranger District, located at 875 Mitchell Ave., Oroville, CA 95965.

A 45-day comment period was conducted consistent with the October 19, 2005 order issued by the U.S. District Court for the Eastern District of California in Case No. CIV f-638JKS. A legal notice was published in the Feather River Bulletin on February 24, 2012. No adverse comments were received. This sale is authorized under the Record of Decision for the On Top Hazardous Fuels Reduction Project signed on September 28, 2012.

The Surety Bond Guarantee (SBG) Program regulations have been amended to allow SBA to guarantee bid and performance bonds for timber sale contracts. Under these contracts, the small business or principal pays the obligee an agreed amount to harvest the lumber or other forest products, such as biomass. A bond is often required to ensure compliance with contract terms and conditions that are associated with forest management, including the protection of natural resources, erosion control, and road maintenance. This change applies to contracts administered by the U.S. Forest Service and other public and private entities.

Prospective bidders are notified that the NEPA document (On Top Hazardous Fuels Reduction Project EIS) associated with this sale is subject to appeal pursuant to 36 CFR 215. Similar projects on the Plumas National Forest have been the subject of litigation in the past. Therefore this timber sale may be appealed and/or litigated, which could result in contract suspension, modification or termination. The contract provides for limited remedies in cases of suspension, modification or termination due to administrative appeal and/or litigation.

Waiver of Liquidated Damages:

This is to notify the prospective bidders of the Palmetto MP SBA Sale that a "pre-award waiver, release, and limitation of liability agreement", as described in B8.341 - Termination by Forest Service and B8.342 - Termination by Purchaser, shall be required prior to the award of this contract.

The United States Department of Agriculture (USDA) prohibits discrimination in its programs on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. Persons with disabilities who require alternative means of communication of program information should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).